

## **RALEIGH-DURHAM AIRPORT AUTHORITY**

### *MINUTES*

*October 19, 2000*

Chairman Winston presided. Present: members Clancy, Sparrow, Teer, Toler and Gibbs. Absent: members Hyler and Parker. Also present: Airport Director Brantley; Deputy Airport Director Shackelford; Assistant Director for Marketing Damiano; DBE Program Officer Umphrey; Assistant Director for Facilities Powell; Program Manager Edmondson; Program Manager Cayton; Program Manager Quesenberry; Environmental Officer Wilkinson; Finance Manager Barritt; Internal Auditor Jordan; Properties & Insurance Officer Quinn; Public Affairs Manager Blanton; Public Affairs Specialist Persson; Maintenance Manager Fulp; Acting Parking Manager Burgess; Assistant Parking Manager Clinckscases; Business Development Officer Hairston; Operations Officer Nance; Emergency Services Manager Thompson; Law Enforcement Manager Waters; Assistant Law Enforcement Manager Gilsdorf; Ground Transportation Manager Odom; Ground Transportation Coordinator Nye; Volunteer Coordinator Angelucci; Payroll/Benefits Technician Duncan; Safety Officer Witherspoon; Accounting Technician Marion; Accounting Technician Schick; Training Officer Harleston; Administrative Support Assistant Gray; Executive Assistant Mitchell and Attorney Tatum.

Guests: Vicky Hyman, The News & Observer; Reverend Dennis Stiles, Airport Chapel Committee; Wendy Feuer and Cheryl Stewart, Public Art and Urban Design; Representative Paul Luebke.

**APPROVAL OF AGENDA** – There were no changes or additions to the agenda, and it was approved as submitted.

**APPROVALS OF MINUTES** – There were no changes to the minutes of the September 21, 2000 meeting, and they were approved as submitted.

**CHAIRMAN'S COMMENTS** – Chairman Winston advised he had no comments at this time.

**LAW FINANCE & PERSONNEL COMMITTEE REPORT** – Chairman Gibbs reported the Committee met on October 17, 2000 and discussed the following items.

1. *Agreement with First Albany Corporation for Airport Financial Consulting Services Associated with the Major Capital Improvements Program.* Staff negotiated a proposed agreement with First Albany Corporation for services related to development and execution of the Financial Plan for the Authority's Major Capital Improvements Program. More specifically, the scope of services includes three key areas: (i) Capital Planning Services for Year One for which First Albany would be compensated the fixed lump sum of \$75,000; (ii) Financing of Parking Garage 4 for which compensation would be the fixed lump sum of \$150,000; and (iii) Future Financings Using the New Master Indenture for which compensation would be the fixed lump sum of \$100,000. Compensation for additional services would be negotiated as those services are needed. First Albany offered the Authority the option to amend any or all of the compensation terms if the Authority feels the corresponding level of service has not been rendered. Staff's recommendation to engage First Albany Corporation and to proceed with contract negotiations was approved by the Authority at the September 21, 2000 meeting. The Committee recommended approval of the terms of the agreement with First Albany Corporation for airport financial advisory services.

Member Gibbs, made a motion, seconded by Member Clancy, to approve the recommendation of the Law, Finance and Personnel Committee. Adopted.

2. Presentation on Passenger Facility Charges. Representatives of First Albany Corporation presented a PowerPoint presentation on the merits of implementing a Passenger Facility Charge. A passenger facility charge (PFC) is a boarding fee of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50 which is charged by the airport on the passenger's outbound flight segment, subject to a \$12 maximum per roundtrip ticket. At present, 56 of the 82 U.S. airports with the greatest passenger volumes impose a PFC of \$3.00 (and some are applying to increase to the \$4.50 level). Staff proposes that approval be sought from the Federal Aviation Administration to implement a PFC at RDU to help finance certain parts of the \$1+ billion in planned capital improvements during the next decade. Implementing a PFC would raise \$15-22 million annually by adding a nominal user fee (\$3.00-\$4.50) to each airline ticket. Projects qualifying for PFC support must either preserve or enhance airport safety, security or capacity; reduce the impact of noise; or enhance airline competition, and can only be used to finance on-airport improvements. All PFC applications are subject to FAA approval. The airlines must be consulted before a PFC is implemented and the revenue used to pay for eligible airport projects, but airline approval is not required. The airlines are responsible for collecting PFCs from passengers and remitting the revenue to RDU on a monthly basis. Currently, five airports in North Carolina collect PFCs, including Asheville, Fayetteville, Greenville, New Bern and Wilmington. PFCs would not begin appearing on RDU enplaned passengers' airline tickets until FAA approval is received. This will not occur for approximately one year as the application process is expected to take between 7 and 12 months to complete. The Committee recommended that staff be authorized to commence the process to gain approval for the Authority to impose a passenger facility charge at RDU, including preparation of the application to be submitted to the FAA, which must be approved by the Authority prior to submittal.

Member Gibbs, made a motion, seconded by Member Teer, to approve the recommendation of the Law, Finance and Personnel Committee. Adopted.

3. Adjustment in public parking rates prior to commencing construction of Parking Garage 4. The Committee reviewed the history of public parking charges at RDU and received a recommendation from the Airport Director that the parking rates be increased during the first quarter of 2001 in conjunction with the beginning of construction of Parking Garage 4. The increased revenue will aid in financing the more than \$53 million in parking improvements made during the past three years and support financing of the next parking deck, which will have 6,300 spaces and cost more than \$100 million. The proposed rate increase should increase annual parking revenues by about one-third. The last parking rate increase occurred in January 1998. Parking rates are proposed to increase as follows: the hourly parking 24-hour maximum from \$18.00 to \$24.00; and the daily parking maximums from \$6.00 to \$8.00 in the garages and main lot, from \$4.00 to \$6.00 in Park & Ride 1, from \$4.00 to \$5.00 in Park & Ride 2, from \$3.00 to \$5.00 in Park & Ride 3, and from \$3.00 to \$4.00 in Park & Ride 4. The incremental rate in all lots will remain \$1.00 per hour. Even with the proposed rate increase, RDU's parking rates will remain one of the best parking values compared to rates charged by similar-sized airports. Flyers will be distributed to parking patrons and public service announcements will be made to advise travelers of the forthcoming changes. The Committee recommended that the 24-hour maximum hourly parking rate be increased from \$18.00 to \$24.00 and the 24-hour maximum daily parking rates be increased by \$1.00 in Park & Ride 2 and 4 and by \$2.00 in Park & Ride 1 and 3 at a date to be determined during the first quarter of 2001 in order to aid in financing public parking improvements, including construction of Parking Garage 4.

Member Gibbs made a motion, seconded by Member Teer, to approve the recommendation of the Law, Finance and Personnel Committee. Adopted.

**OPERATIONS COMMITTEE** – Member Sparrow reported the Committee met on October 19, 2000 and discussed the following item:

1. Amendment of Chapter 4 – Commercial Ground Transportation of the Authority's Ordinances. Attorney Tatum recommended to the Committee that the Rules and Regulations for Ground Transportation Operation and the Ground Transportation Operating Procedures be combined into a single document, rather than two separate ones as at present, that is more easily understood and better facilitates understanding by the courts and administration of the rules and policies. The Ordinance also requires some revision. Prior to adoption of the revised Ordinance, a public hearing must be held. If the public hearing is held on November 16, 2000 and the revised Ordinance is thereafter approved, it will become effective on December 1, 2000. On that same day a notice of intent to make the revised Rules and Regulations effective on January 1, 2001 will be issued. The Committee recommended combining the Rules and Regulations with the Operating Procedures and setting a public hearing to be held on November 16, 2000.

Member Sparrow made a motion, seconded by Member Gibbs, to approve the recommendation of the Operations Committee. Adopted.

**LAND & DEVELOPEMENT COMMITTEE** – Member Teer reported the Committee met on October 19, 2000 and discussed the following items:

1. Amendment to the Agreement with Walker Parking Consultants/Engineers, Inc. for additional services for Parking Garage 4, RDU #070319. Project Manager Quesenberry presented a synopsis of Amendment No. 3 to the Agreement with Walker Parking Consultants/Engineers, Inc., dated April 15, 1999, for additional services for Parking Garage 4. This Amendment authorizes additional engineering, architecture and other professional services for the *Final Design Phase* of the project. The services relate specifically to the increase in work effort as a result of (i) expansion of the garage constructed in this phase from a 5,000 space facility to a 6,300 space facility; (ii) installation of a dedicated PBX communications network for elevator and public assistance telephones in the new parking garage; and (iii) structural and architectural modifications at Terminal C on the upper and lower curbsides and exit roadways as a result of reconfiguring traffic on West Terminal Boulevard. Compensation will be based on unit costs against a fixed ceiling amount. The fixed ceiling amount will increase by \$641,605 from \$3,374,500 to \$4,016,105. The Committee recommended approval of Amendment #3 to the Agreement with Walker Parking Consultant/Engineers, Inc. for additional services related to Parking Garage 4.
2. Reimbursable Agreement with CP&L Energy for services required for relocation of electrical utilities in connection with Parking Garage 4, RDU #070319. Program Manager Quesenberry presented the terms of the agreement with CP&L Energy, which authorizes reimbursement of costs to CP&L of costs for relocation of existing underground power distribution facilities in order to accommodate the construction of Parking Garage 4. CP&L will be reimbursed for actual costs up to a fixed amount of \$101,492. The Committee recommended approval of the reimbursable agreement with CP&L Energy.

3. Presentation on the hangar/office facility proposed to be constructed by CP&L Energy. Bryan Elliott of CP&L presented the proposed plans for the hangar/office facility to be constructed by CP&L Energy. Swatches of interior wall, carpet and flooring samples, in addition to exterior materials, were viewed. An architect's rendering of the facility was used to illustrate size and location of the proposed facilities and adjacent properties.
4. Presentation on the corporate hangars to be constructed by Martin Marietta Materials, Lichtin Corporation, Jetcraft Corporation and PK Enterprises. Saieed Construction Systems Corporation will be responsible for assisting in the planning and construction of four new corporate hangars to be occupied by Martin Marietta Materials, Lichtin Corporation, Jetcraft Corporation and PK Enterprises. Examples of interior décor and exterior siding materials were displayed. The hangars are designed as one structure with firewalls separating each hangar. The height of the structure is designed to compensate for the existing sight line. Landscaping plans will be provided by Saieed Construction.

Member Teer made a motion, seconded by Member Gibbs, to approve the recommendations of the Land & Development Committee. Adopted.

**ART IN THE AIRPORT** – Member Sparrow reported that members of the Art Committee recently met to decide upon art concepts for the General Aviation Terminal Building. Art Consultant Feuer reported the Art Master Plan recommends that over the next ten to fifteen years a limited number of permanent artworks be commissioned. Two sites were identified for immediate commissions – the General Aviation Terminal and the Terminal A/Parking Garage 3 Tunnel. The Art Committee decided to postpone selection of the artworks to be installed in the Terminal A/Parking Garage 3 Tunnel to a later date. Sculptural installations will be installed on a temporary basis, up to a year, on several outdoor sites around the airport. They include Stephen Cote's folk piece, which currently is in front of the RDU Center, as well as an installation by Patrick Dougherty in early December on a site next to Parking Garage 3. The Art Committee is working collaboratively with the staff at the North Carolina Museum of Art to share resources. The holiday performance series begins in mid-November and continues through the first week of January 2001. A roster of 10 musicians will conduct 30 performances ranging from classical to barbershop to blue grass. Art Consultant Stewart gave a brief explanation of Heath Satow's sculpture concept to be integrated into the architecture of the General Aviation Terminal Building. Mr. Satow's work consists of three elements: (i) a large terrazzo floor design meant to evoke a three-dimensional image of the world; (ii) three abstract figures in stainless steel that reach skyward dreaming of flight; and (iii) the sculptures are reaching toward a "glass cloud" made up of 1,000 small suspended pieces of cobalt and light blue glass. A three-minute CAD video was shown depicting the artist's rendering. A budget of \$70,000 was established for this work, and the project remains within the budget at a cost of \$68,000. The Committee recommended approval of the art selection jury's recommendations. Member Sparrow asked Public Affairs Manager Blanton to include an abbreviated presentation of the art program in the overall presentation to be made by him and Member Hyler on November 6<sup>th</sup> to the Wake County Board of Commissioners.

Member Sparrow made a motion, seconded by Member Gibbs, to approve the recommendations of the Art Committee. Adopted.

**MEMBERS COMMENTS/REPORTS** – Member Toler commented that the newly renamed Customer Service and Marketing Committee will hold its first meeting at 11:30 a.m. on November 16, 2000.

**GENERAL COUNSEL'S REPORT** – Attorney Tatum advised he had no comments at this time.

## **AIRPORT DIRECTOR'S REPORT –**

- Enplaned passengers for September 2000 totaled 401,637 versus 350,728 for September 1999 for a 14.5% increase. Year-to-date 2000 enplanements totaled 3,849,276 versus 3,197,128 for 1999 for a 20.4% increase.
- Deplaned passengers for September 2000 totaled 389,742 versus 348,545 for September 1999 for a 14.4% increase. Year-to-date 2000 deplanements totaled 3,886,031 versus 3,213,818 for 1999 for a 20.9% increase.
- Enplaned air cargo for September 2000 totaled 11,064,687 pounds versus 9,767,605 pounds for September 1999 for a 13.3% increase. Year-to-date 2000 enplaned air cargo totaled 95,770,860 pounds versus 87,543,783 pounds for 1999 for a 9.4% increase.
- Deplaned air cargo for September 2000 totaled 12,074,892 pounds versus 10,646,401 pounds for September 1999 for a 13.4% increase. Year-to-date 2000 deplaned air cargo totaled 100,133,474 pounds versus 92,577,498 pounds for 1999 for an 8.2% increase.
- Weekday scheduled flight departures for September 2000 totaled 295 versus 269 for September 1999 for a 9.7% increase.
- Aircraft operations for September 2000 totaled 24,497 versus 23,910 for September 1999 for a 2.5% increase. Year-to-date 2000 aircraft operations totaled 200,029 versus 215,313 for 1999 for a 2.2% increase.
- The number of taxicab trips taken during September 2000 totaled 13,085 versus 12,355 during September 1999 for a 5.9% increase. Year-to-date 2000 taxicab trips totaled 108,677 versus 95,005 during 1999 for a 14.4% increase.
- The expansion of Park and Ride Lot 3 is going very well, and the additional 1,775 spaces are expected to open by November 17, 2000. In addition to the new spaces, there will be new public and bus entrances, new pedestrian shelters and lighting, and new traffic signals at Aviation Parkway and National Guard Drive.
- The tunnel between Terminal A and Parking Garage 3 is expected to open by the end of October. The issues related to the fire alarm panels have been resolved, and the project is moving towards completion.
- Congress recently passed the new Transportation Appropriations Bill for fiscal year 2001, which began September 1, 2000. This is the first appropriations bill passed after the new authorizing legislation was enacted last year. The bill will increase the level of grant assistance to airports from \$1.9 billion per year to \$3.2 billion per year nationwide. The allocation for RDU will be \$7.25 million for fiscal year 2001.

- The North Carolina State Building Commission agreed to allow the upcoming Parking Garage 4 project to be bid as a single prime contract only. The project has generated a high level of interest from contractors. Staff is in the process of pre-qualifying contractors for this job. A single prime contract will prove very beneficial during this project, as opposed to the logistical challenges working with a multiple prime contractors.
- As a result of the additional parking spaces now available in the new parking deck, staff will endeavor to enforce more closely the parking rules. Illegal parking in fire lanes and in front of fire hydrants will no longer be tolerated. Towing will be enforced as parking operations begin to return to normal.
- Steven Westberg, Executive Vice President and General Manager of Midway Airlines, made a presentation at the employee luncheon on October 11, 2000 regarding Midway's future plans. Plans are in place to continue to invite tenants to the employee luncheons in an effort to better educate employees about the airport's tenants and their activities.
- The United Way Campaign recently ended with a record number of employees participating this year. The number of participants increased five-fold, and the total contribution amount doubled from last year. Training Officer Harleston, Maintenance Office Manager Cooley-Clayton and Law Enforcement Officer Jones spearheaded this year's campaign. Airport Director Brantley thanked the team for their tremendous efforts in this very successful project.
- Customer Appreciation Week was celebrated October 2-6, 2000 with good participation from both the Authority and the airport's tenants. Prizes such as roundtrip tickets on US Airways were awarded.
- A job fair for concession employees was held at the RDU Center on October 12-13, 2000. Employees of existing concessionaires, as well as new employees, were provided opportunities to secure employment with the concessionaires joining the new concession program beginning in early 2001.
- Airport Director Brantley; Attorney Tatum; Assistant Director for Marketing Damiano; Environmental Officer Wilkinson; Chairman Winston and Member Clancy attended the Airports Council International-North America Regional Conference in New York City during the first week of October 2000. All participants found the conference to be very informative.
- Airport Director Brantley remarked that given the recent developments in national defense matters in the Persian Gulf; airport security might become a hot topic for the FAA.

Representative Luebke addressed the Authority in response to a recent newspaper article written by News and Observer Reporter Hyman regarding the proposed parking rate increase. He suggested that some of the increased parking revenue be applied towards operating a free shuttle service to/from the airport and connecting with the Triangle Transit Authority system.

Chairman Winston thanked Representative Luebke for his comments.

**ADJOURNMENT** - There being no further business, Chairman Winston adjourned the meeting.

Respectfully submitted,

David T. Clancy, Secretary

CORRECT ATTEST:

Robert Winston, III, Chairman